

# VAT Changes 2021

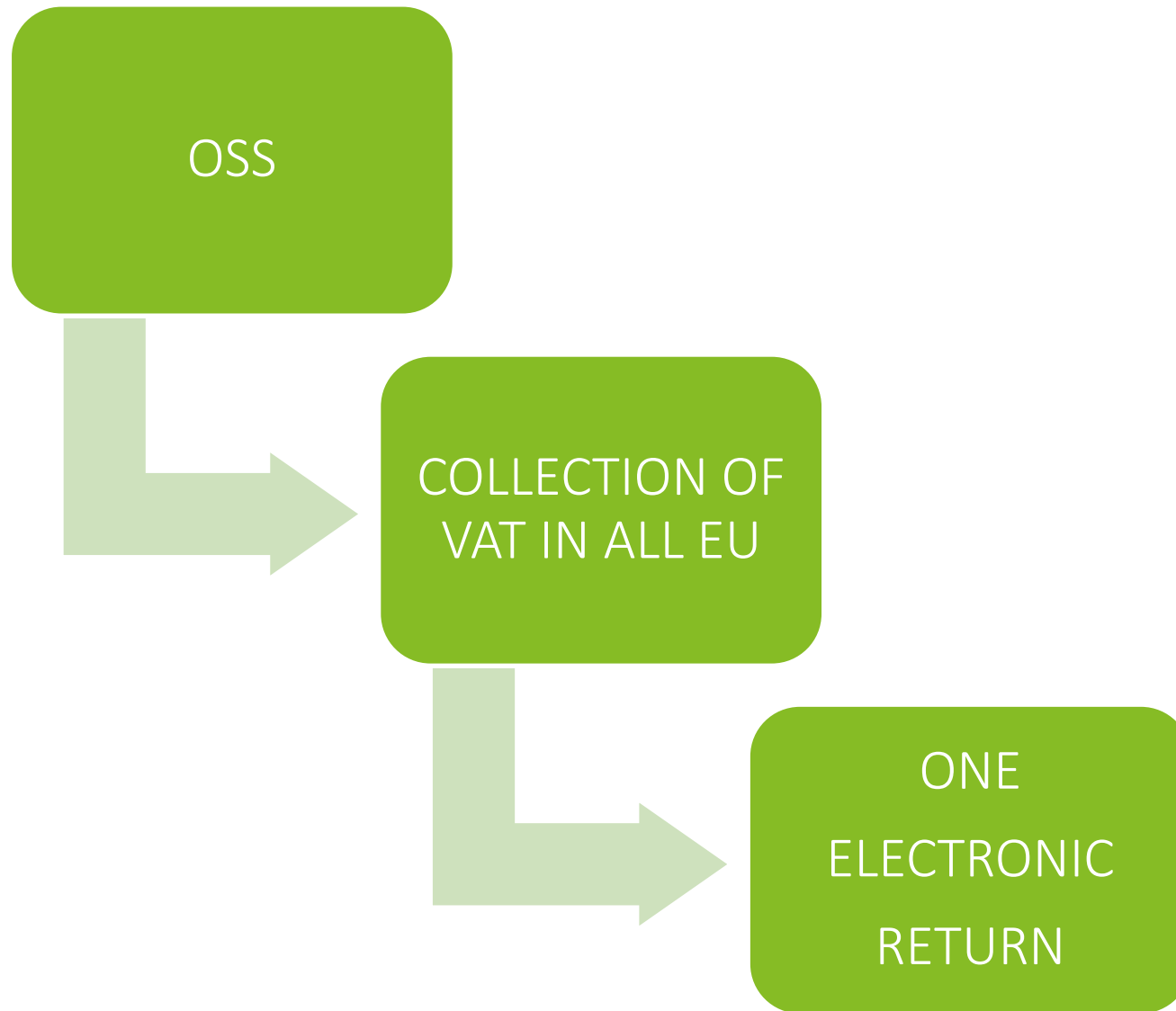
## Overview



- Fight against VAT fraud

- Tax consumption where consumed

## Overview of the new rules



## Overview of the new rules

OSS : reporting VAT collected in all Member States in one statement  
(except the MS of establishment of EU established person)

	Rate	Base	VAT due
Austria	20%	0	0
Belgium	21%	1,000,000	210,000
France	20%	2,000,000	400,000
Germany	19%	10,000,000	1,900,000
Hungary	27%	1,000,000	270,000
Netherlands	21%	1,000,000	210,000
Etc.			

**New responsibilities for e-platforms**  
**New rules for importation**  
**Abolition of the € 22 exemption**



## New responsibilities for e-platforms

What are the electronic interfaces

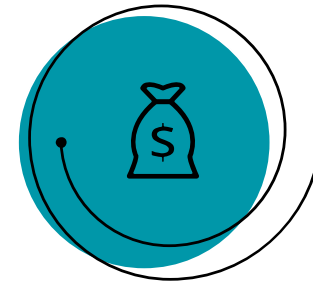
Taxable persons who **facilitate** distance sales of goods through the use of an electronic interface are deemed **in certain circumstances** to make the supplies themselves and will be liable to account for VAT on these sales.

Cross-border VAT fraud on E-commerce of goods estimated to € 5 billions: 10% of the total VAT fraud

A taxable person, i.e. an electronic interface, is **not considered as facilitating the supply**, if:



he does **not** set, either directly or indirectly, any of the **terms and conditions** under which the supply of goods is made; and



he is **not**, either directly or indirectly, involved in **authorizing the charge to the customer** in respect of the payment made;



and he is **not**, either directly or indirectly, **involved in the ordering or delivery of the goods.**

# New responsibilities for e-platforms

Two types of transaction are covered by the deemed supplier provision

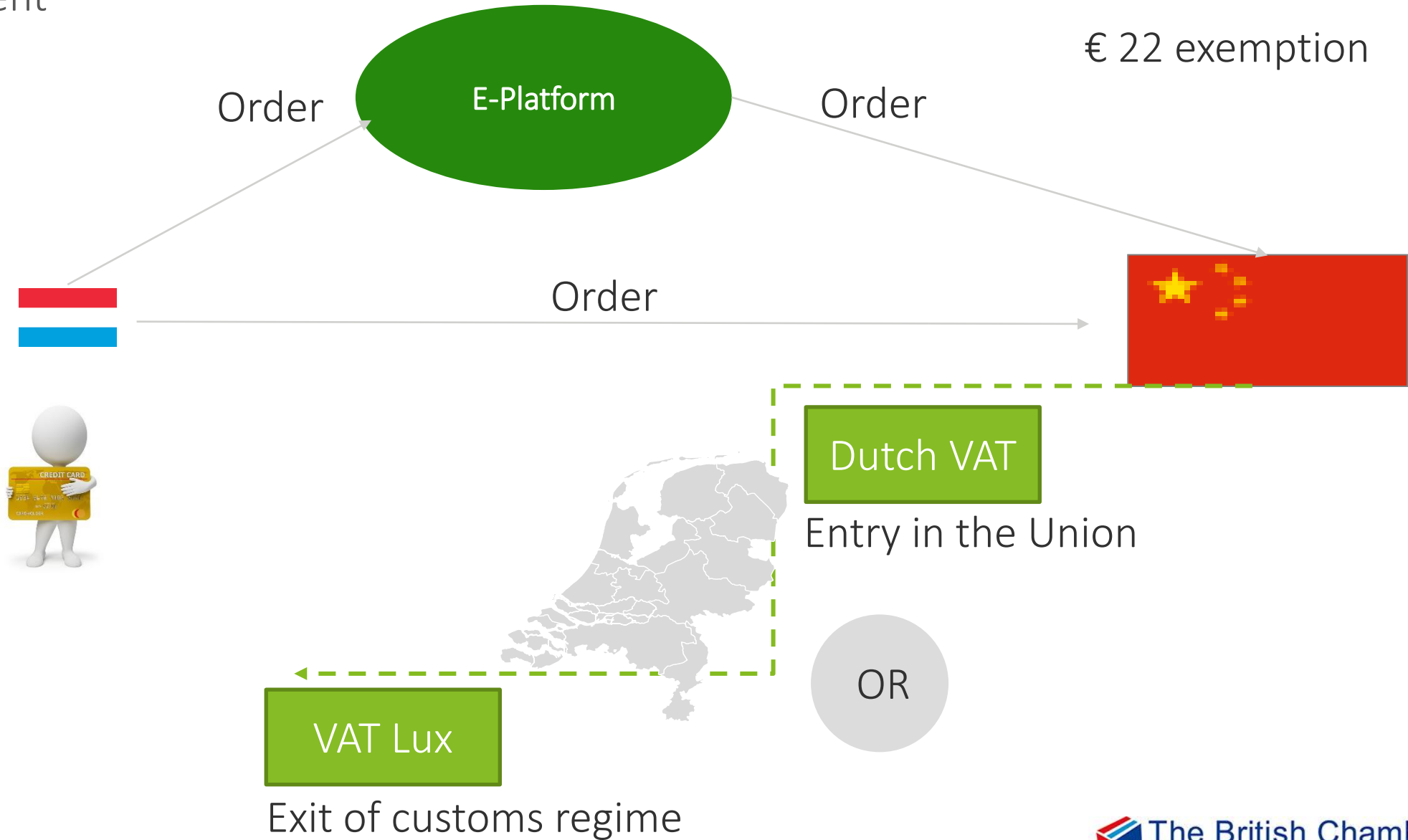
Two types of transaction covered by the deemed supplier provision

1. Distance sales of goods **IMPORTED** from third territories or third countries in consignments of an **INTRINSIC VALUE NOT EXCEEDING EUR 150** with some exceptions (excise goods, goods with installation or assembly)
2. Supplies of goods within the European Union **BY A TAXABLE PERSON NOT ESTABLISHED** there to a non-taxable person; both domestic supplies and intra-Community distance sales of goods are covered



# VAT importation in practice

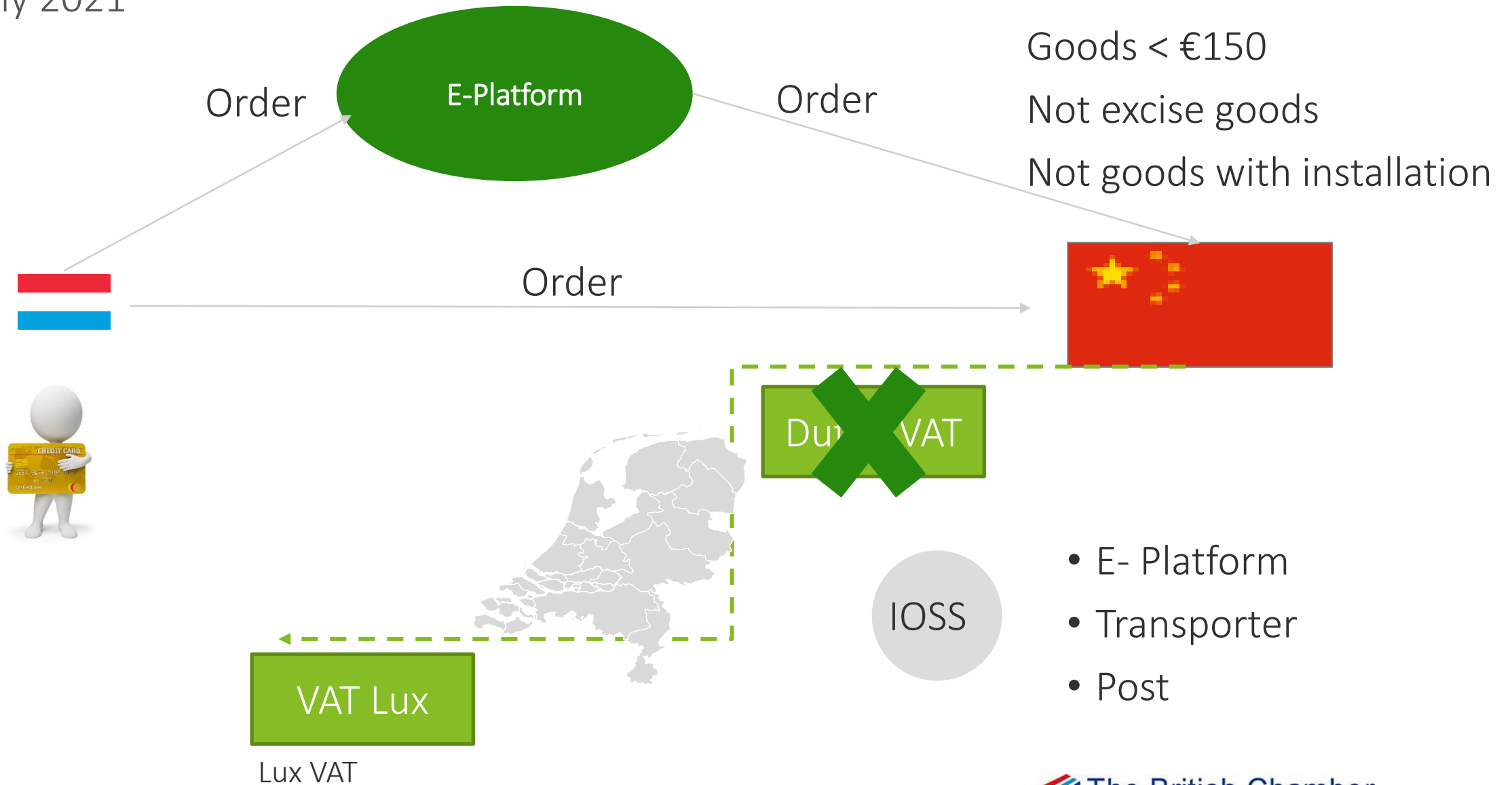
## Current





# VAT importation in practice

1<sup>st</sup> July 2021



**IC distance sales of goods**  
**B 2 C services**  
**Extension of the scope of the**  
**existing MOSS**

The 'Union Scheme'



Intra-community distance sales of goods

Cross-border B2 C sales:

- GOODS ARE TRANSPORTED BY THE VENDOR OR ON BEHALF OF THE VENDOR TO THE CLIENT
- To avoid that MS with lower VAT rates would become haven for distance sellers

# Intra-community distance sales of goods

## Current

### TRANSPORT BY OR ON BEHALF OF THE VENDOR

Complexity  
A VAT number costs around € 8,000 p.a.

Sales > € 35,000 p.a.  
French VAT  
FR VAT number

Sales > € 100,000 p.a.  
German VAT  
DE VAT number



Lux VAT if foreign  
sales under the  
foreign thresholds

# Intra-community distance sales

1<sup>st</sup> July 2021

## TRANSPORT BY OR ON BEHALF OF THE VENDOR

OSS TO PAY THE FOREIGN VAT

Complexity

A VAT number costs around € 8,000 pa

~~Sales > € 35,000 p.a.~~  
~~French VAT~~  
~~FR VAT number~~

~~Sales > € 100,000 p.a.~~  
~~German VAT~~  
~~DE VAT number~~



Lux VAT only if  
UNDER a unique  
€ 10,000  
threshold



B 2 C services

B 2 C services when the PLACE OF CONSUMPTION for VAT is NOT in the same MS  
at the place of the supplier

## B 2 C services where the place of supply **IS NOT** in the MS of the supplier

### Current

French painter



German plumber



Lux VAT  
VAT  
registration



As from the 1<sup>st</sup> € - no *de minimis* rule

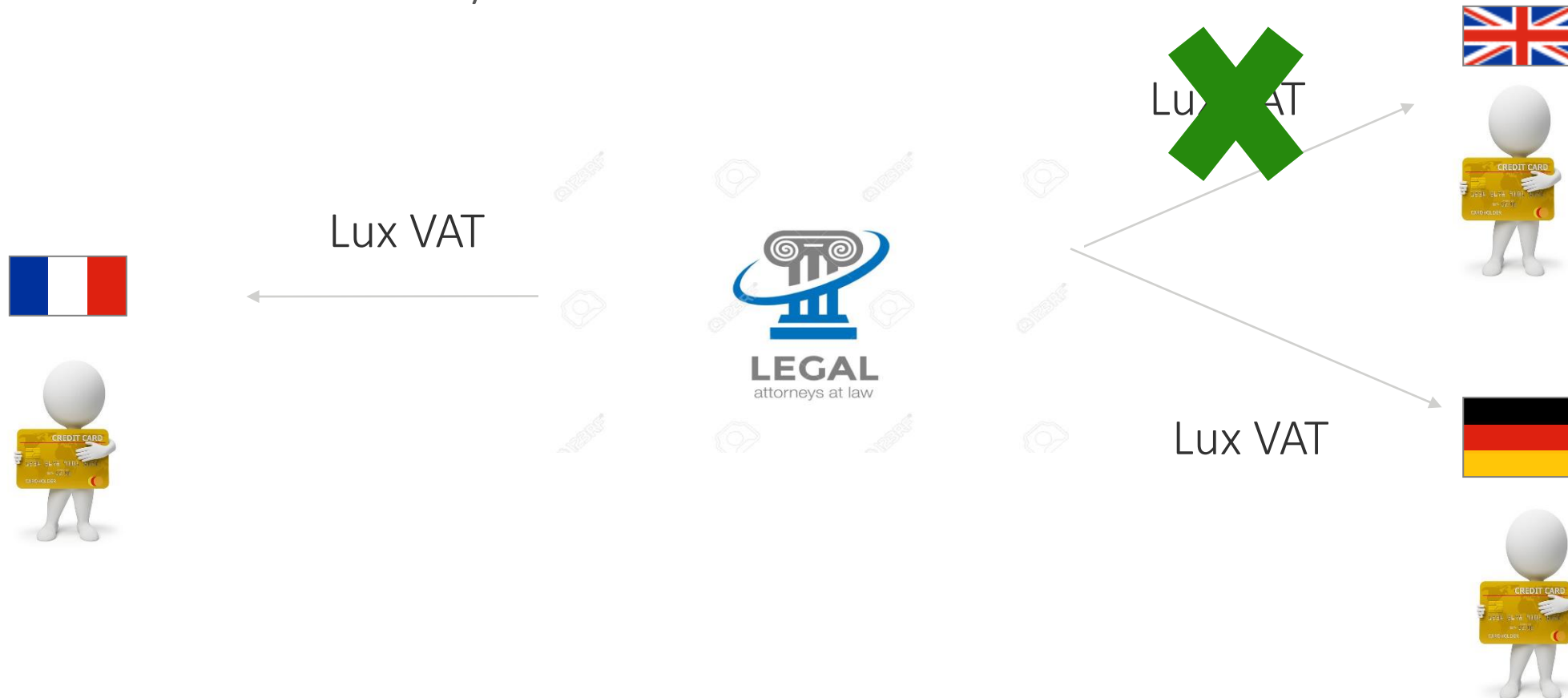
B 2 C services where the place of supply **IS NOT** in the MS of the supplier  
1<sup>st</sup> July 2021





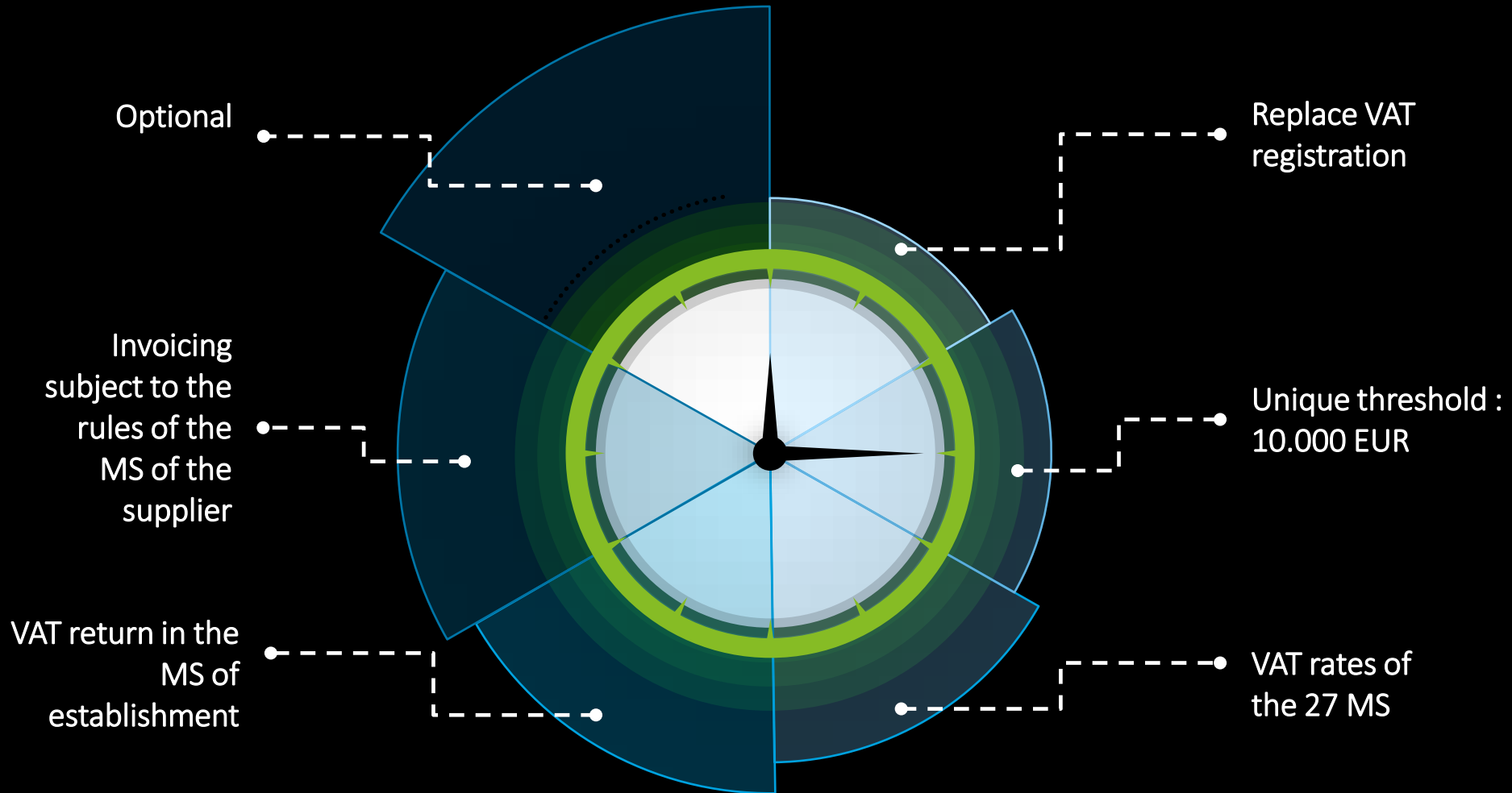
# B 2 C services where the place of supply IS in the MS of the supplier

Current and after 1<sup>st</sup> July 2021



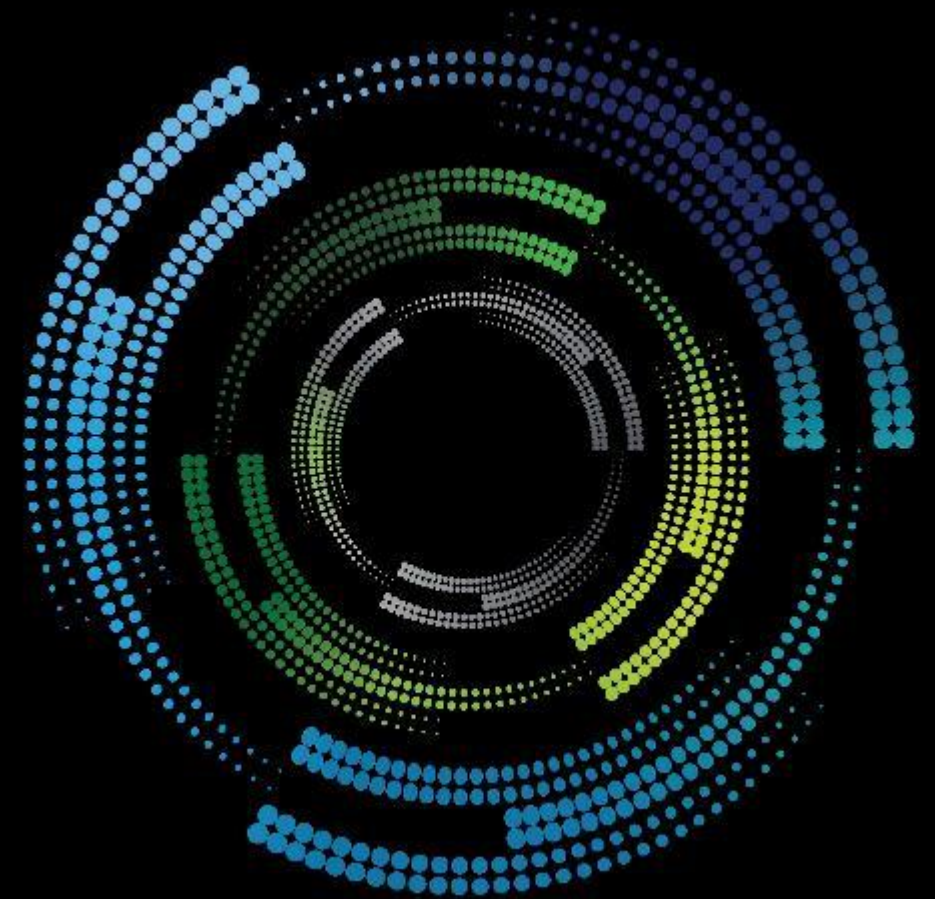
# The Union Scheme

## Main features



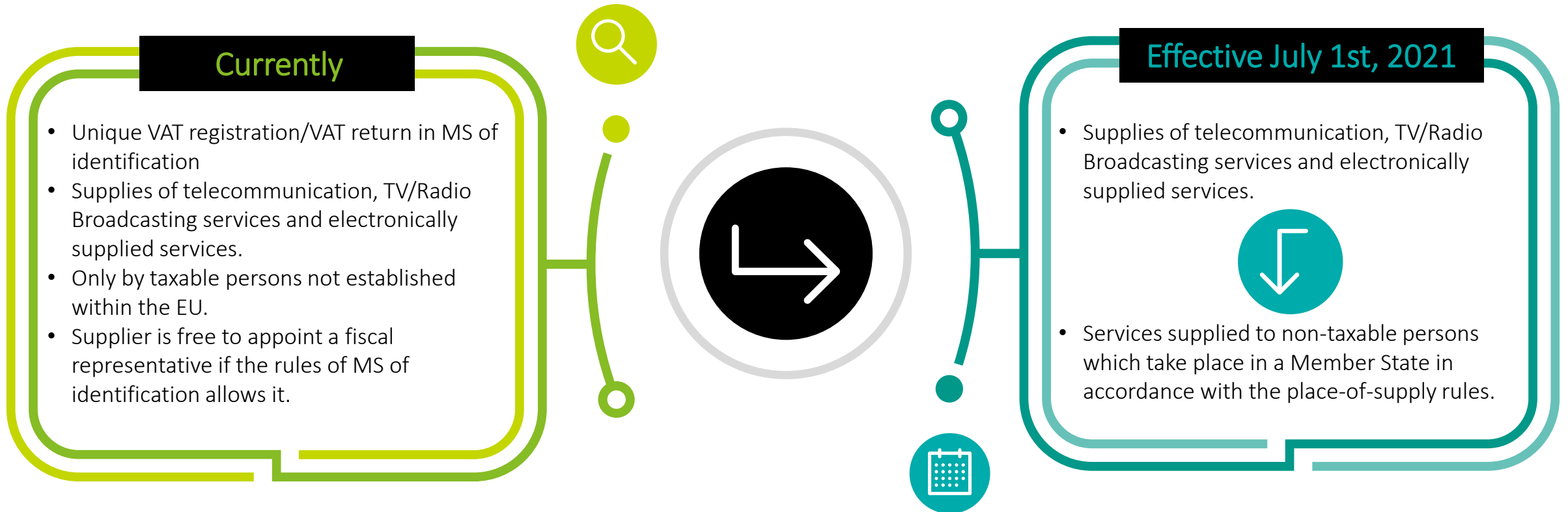
# Smaller extension of the scope of the non-Union scheme (formerly known as OSS)

The 'non-Union Scheme'



# Smaller extension of the scope of the non-Union scheme (formerly known as OSS)

An extension of the previous regime to all B2C services provided by non EU suppliers to EU consumers





MICHEL LAMBION

Managing Director | Indirect Tax

Deloitte Tax & Consulting

milambion@deloitte.lu | [www.deloitte.lu](http://www.deloitte.lu)

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the “Deloitte organization”) serves four out of five Fortune Global 500® companies. Learn how Deloitte’s approximately 330,000 people make an impact that matters at [www.deloitte.com](http://www.deloitte.com).

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.